CAN

Date

OCT 7 1982

LLGSA

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Reply to Attn of :

Director, Public Buildings Accounting Division - BCA

Subject:

Reimbursable Work Authorizations Actual Cost Billing

To

Regional Controller - WB

Assistant Regional Administrator for Real Property - WP

Your letter dated May 20, 1982, asks several questions about the change. to billing procedures for Reimbursable Work Authorizations (RWA's). Your first question asks if each nonrecurring work authorization is to be considered "an allowance or allotment area subject to Administrative Violation and/or Antideficiency Act requirements?" As you are aware the former fixed price policy was changed as a result of a review by the General Accounting Office. The review did not conclude that the former policy was inconsistant with the provisions of the Anti-Deficiency Act. The recommended changes were for reasons unrelated to that Act. Accordingly, the change in policy from a fixed price concept to a cost reimbursable concept does not enlarge the potential for Anti-Deficiency Act violations. Exceeding the cost estimate for an RWA would be contrary to current policy, but would not by itself be in violation of the Anti-Deficiency Act. A full set of procedures will be implemented for Fiscal Year 1983 which will assure that ordering agencies understand what they have agreed to and that they are committed to reimbursing General Services Administration for the total actual cost of each RWA.

Your second question asks if the exception report for RWA's whose cost exceed 80% of the estimated amount could be produced monthly instead of quarterly? The exception reports will be produced every cycle. You also ask if we could generate an RWA history report showing all transactions over the life of the RWA? Since monthly history reports are already issued, we will not produce cumulative history reports. We feel that customer billing inquiries will occur shortly after the customer has received the bill. Most inquiries will be limited to the prior quarter's activity. Instances of researching the full history of an RWA will be rare, and do not justify the costs in paper, machine time, or manpower to produce such voluminous reports.

Your third question is based on an apparent misinterpretation of the proposed amendment to the Federal Property Management Regulation (FPMR). The proposed FPMR amendment doesn't suggest a change to the billing process for recurring type RWA's. In fact, it explicitly excludes these RWA's from the new billing procedure. Nonrecurring RWA's are any RWA's to which costs can be specificly identified even if the services are for the whole fiscal year. Recurring RWA's are any RWA's where costs cannot be specificly identified, such as: overtime, utilities, or a level of cleaning over the agreed SLUC level of cleaning.

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Your fourth question asks "When will Field Office supply inventory accounts be established so that RWA supply cost can be properly charged to the appropriate nonrecurring RWA's?" We are aware that current inventory accounting procedures do not create the necessary documents to serve as a basis for charging supplies to RWA's. The Office of Finance plans to make new policy to improve accounting for cupboard stock. Until revised policies are issued, current policies and procedures as stated in the CPT P 1200.1, Chapters 24, and 25 are to be followed.

Your fifth and final question asks when customer agencies will be formally notified of this change. The formal amendment to the FPAR was published in the Federal Register September 20, 1932.

Should you have any questions, call DeNelson Ward, Office of Finance on 8-565-1260 or Dominick J. Pastore, PBS Office of Program Support on 3-566-1954.

KAYMOND A. FONTAINE

Assistant Administrator

WOLFGANS ZOZYLNER

Deputy Commissioner for Policy and Program Support